

Overseas Buildings Operations



Kigali, Rwanda NEC - Under Construction

American Small Business Council
April 10, 2007

Charles E. Williams
Director/Chief Operating Officer

The Mandate



- Our facilities play a critical role in Secretary Rice's focus on transformational diplomacy
- Delicately put in place new and improved diplomatic platforms overseas that provide security and safety, and allow for the transformation of diplomacy for the United States Government

Some Quick Facts

Opened/Year

New Facilities

2001

One

2006

Fourteen

OMB's "PART" rated OBO's New Construction Program for Capital Security Construction 97% (Effective) – Among the highest scores in the Federal Government.



Results-Based Operations and Maintaining a Level Playing Field with Contractors

- Performance
- Accountability
- Discipline
- Credibility

(“Communication and Transparency” is the Mantra)

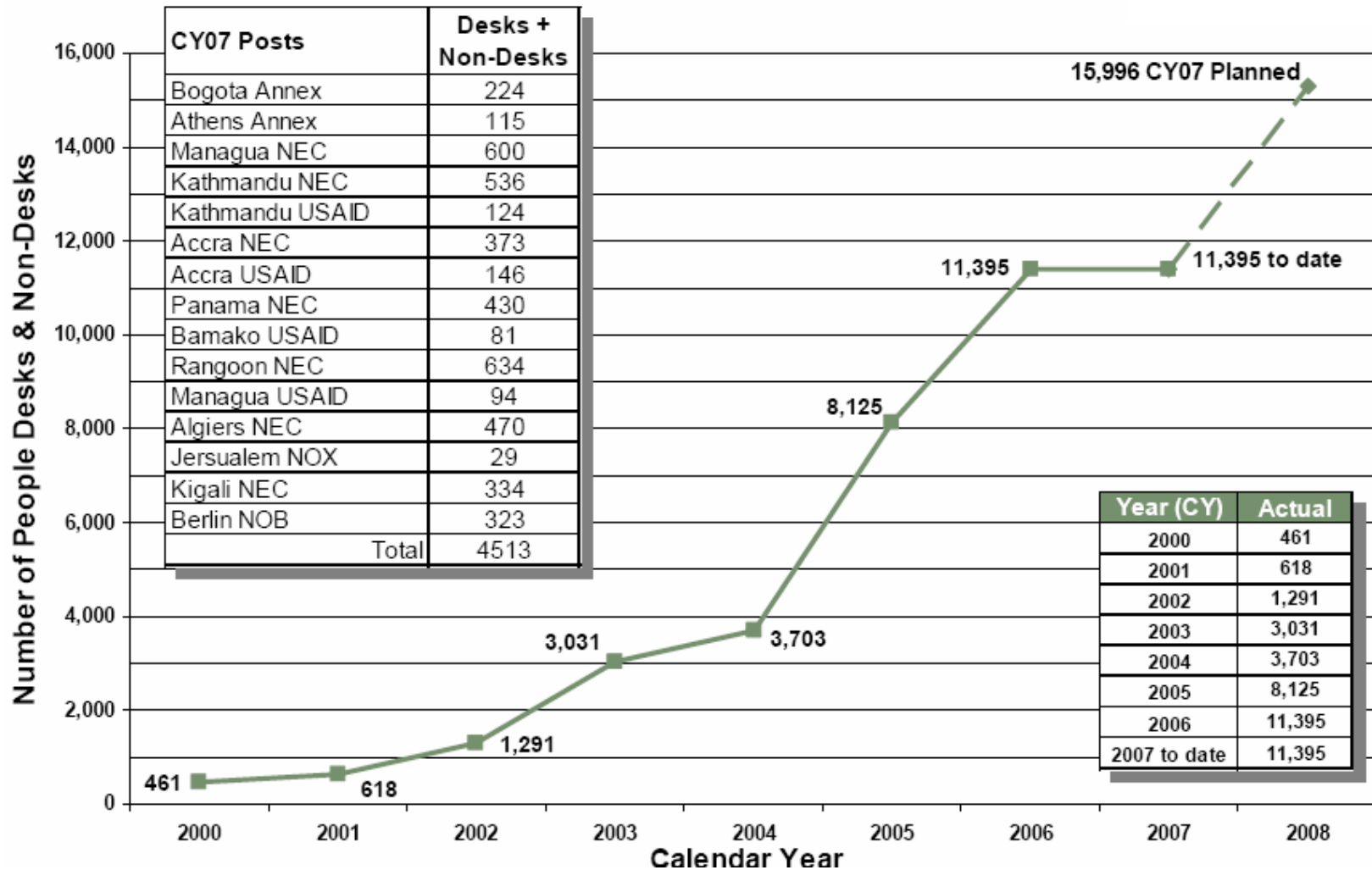


2001-2006 Results



- | | | |
|-----------------------|-------------------------|--------------------|
| 1. Abidjan NEC | 16. Doha NAB | 31. Nairobi NOX |
| 2. Abu Dhabi NEC | 17. Dushanbe NEC | 32. Phnom Penh NEC |
| 3. Abuja NEC | 18. Frankfurt NAB | 33. Phnom Penh NOX |
| 4. Astana NEC | 19. Freetown NEC | 34. São Paulo NAB |
| 5. Baghdad IOB | 20. Istanbul NEC | 35. Sofia NEC |
| 6. Bamako NEC | 21. Kabul ARG/NOX | 36. Tashkent NEC |
| 7. Belmopan NEC | 22. Kabul NEC | 37. Tbilisi NEC |
| 8. Bogotá NOX | 23. Kabul NOX/Cafeteria | 38. Tirana NOX |
| 9. Bridgetown NAB | 24. Kampala NEC | 39. Tunis NEC |
| 10. Cape Town NEC | 25. Kampala NOX | 40. Yaoundé NEC |
| 11. Conakry NEC | 26. Kingston NEC | 41. Yerevan NEC |
| 12. Conakry NOX | 27. Lima NOX | 42. Zagreb NEC |
| 13. Dar Es Salaam NEC | 28. Lomé NEC | |
| 14. Dar Es Salaam NOX | 29. Luanda NEC | |
| 15. Dili IOB | 30. Nairobi NEC | |

Number of People Moved to Safer Facilities 2000-Present



What Is on Our Plate Today

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- 39 NEC /Annex projects under design/construction (\$3.B)
- 24 rehab projects underway (\$332.2M)
- 197 Compound Security and FE/BR replacement projects (\$190M) underway
- 13 NEC/Annex projects planned for award in FY 2007
- 76 NEC projects in Long-Range Overseas Buildings Plan (\$6.5B)
- 17,681 properties at 265 locations to serve

New Facilities Awarded in 2006



- Abuja NOX
- Djibouti NEC
- Guangzhou NEC (design)
- Johannesburg NEC
- Khartoum NOX
- Libreville NEC
- Skopje NOX
- Surabaya NEC
- Suva NEC
- Tbilisi NOX

New Facilities Planned for Award in 2007



- Addis Ababa NEC
- Antananarivo NEC
- Beirut NEC*
- Brazzaville NEC*
- Harare NEC*
- Jeddah NEC/Housing
- Karachi NEC*
- Manila NOX
- Ouagadougou NEC
- Riga NEC
- Sarajevo NEC
- Tijuana NEC
- Valletta NEC

* Funded in FY 2006

Significant Recent Activity

- Opened Bridgetown, Kingston, and Belmopan
- Published Long-Range Overseas Buildings Plan
- Published 2006 Stewardship Report
- Launched the Lessons Learned/Innovations Task Force



Why “New Ways to Think, New Ways to Build?”

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- OBO made strategic transformations in its organizational structure and processes during 2001- 2005.
- It was necessary at the end of 2005 to refocus on management thinking around the “shifting” world conditions to “get it right” in the future



1. **MOVE** to a true risk allocation process that is fair, clear and acceptable to all parties.
2. **AVOID** adding a non-traditional scope of work to the general contractor's Design-Build team.
3. **ALLOW** specialty contractors to perform highly sensitive and special work (separate contract).
4. **REPRESENT** to the Design-Build team that all "*Rights of Passage*" issues have been handled so they will not impact an orderly construction process. (e.g. host country requirements)
5. **MOVE** to provide simple, clear and firm RFP language for procurement.
6. **ENSURE** estimates are derived from empirical data extracted from normal conditions.
7. **MOVE** Value Engineering to the planning phase of Project Development.
8. **LOOK** for Project Directors who can create and maintain a strong team.
9. **PAY** more attention to the quality of the Design-Build team's on-site staffing.
10. **FIX** customer expectations at the pre-construction session and control them through the construction period.



11. **DELIVER** a building site that is ready for construction now.
12. **MAKE** the Standard Design (SED) a true “site adaptation” vehicle.
13. **MOVE** to a “TRUE” Design-Build delivery method for our NECs by providing the Design-Build team a standard design that equals approved construction document.
14. **INCREASE** emphasis on smart, energy efficient, and sustainable building going forward.
15. **HELP** bring the procurement team to the “new ways to think, new ways to build” mentality.
16. **DEAL** appropriately with change orders immediately (set time periods in the early stages of the process).
17. **DESIGN** reviews must be expedited and cannot generate requirements that add to scope without identifying funding and allowing time extension.
18. **CONSIDERATION** must be given to the “how-to” for Operations and Maintenance in the planning phase of our projects.
19. **ADD** a commissioning staff to the on-site team and ensure that this staff is an active participant in pre-construction.
20. **BEGIN** to get serious about the use of public-private partnerships to assist with some of our work.



July 2006 ***ENR Magazine*** stated that **Factors influencing construction going forward are:**

- The Skills Base and Culture of the Workforce
- Technology Advances
- The Size, Scope and Type of Project
- The Site Conditions and other Environmental Factors
- Design Integration of the project
- Labor/Capital Ratio

“Tackling the Process Flow”

Strategy

Employing “Lean” Thinking/Focus

- Reduce Waste
- Reduce Touch-Time
- Identify Value
- Identify the Value Stream
- Process Flexibility (Pull)
- Improve Process Flow



Why this Path Now?

The Drivers

- Budgets are tighter (cost control at center stage)
- Accountability in Government is paramount today
- Several Wars ongoing
- Work Force Management Process Flow needs reworking
- Smarter Management & Enhanced Communication are musts



What “Lean” Methodology Assumes?

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- People value the visual effect of flow
- Waste is the main restriction to productivity
- Small Improvements in rapid succession are more beneficial than analytical study
- Process Interaction Effects will be resolved through value stream refinement
- People in operation appreciate this approach

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New Embassy Construction (2001 - Present)



Standard Site Master Plan



- Chancery Office Building
- Annex Office Building
- Warehouse/Shops
- Marine Security Guard Quarters
- Staff and Visitor Parking
- Recreation Center
- Site Development and Landscaping
- Compound Access Controls
- Perimeter Security Package



Completed Project - 2001



Doha, Qatar NAB

Completed Projects - 2002

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Bogotá Annex



Dar es Salaam NEC



Tunis NEC



Nairobi NEC



*Dar es Salaam
USAID*

Completed Projects - 2003

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Completed Projects - 2004

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Baghdad IOB



Kabul ARG/NOX



Sofia NEC



Dili IOB

Completed Projects - 2005

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Abidjan NEC



Abuja NEC



Kabul NEC



Cape Town NEC



Frankfurt NAB



Completed Projects - 2005

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Luanda NEC



Phnom Penh NEC



Tashkent NEC



Yerevan NEC



Yaoundé NEC



Tbilisi NEC

Tirana, Albania Annex - 2006

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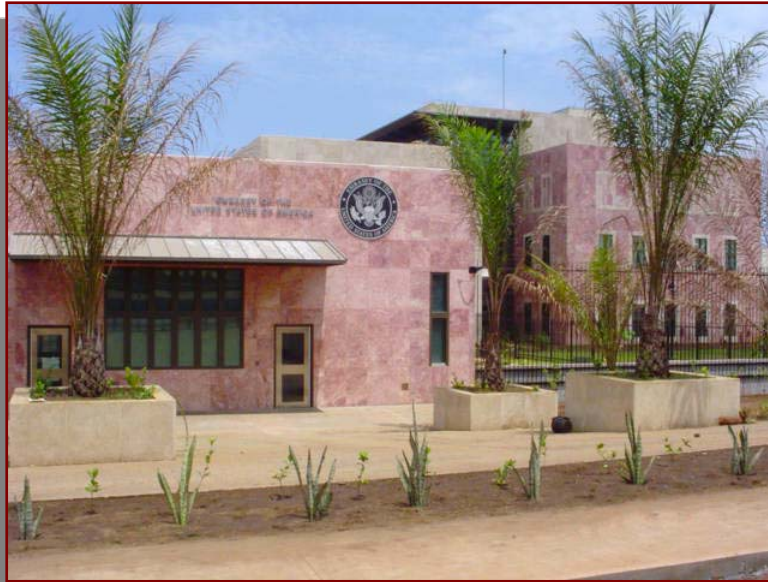
Kabul, Afghanistan Rec Center/Pool - 2006

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Conakry, Guinea NEC - 2006

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Dushanbe, Tajikistan NEC - 2006

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Astana, Kazakhstan NEC - 2006

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Bamako, Mali NEC - 2006

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Freetown, Sierra Leone NEC - 2006

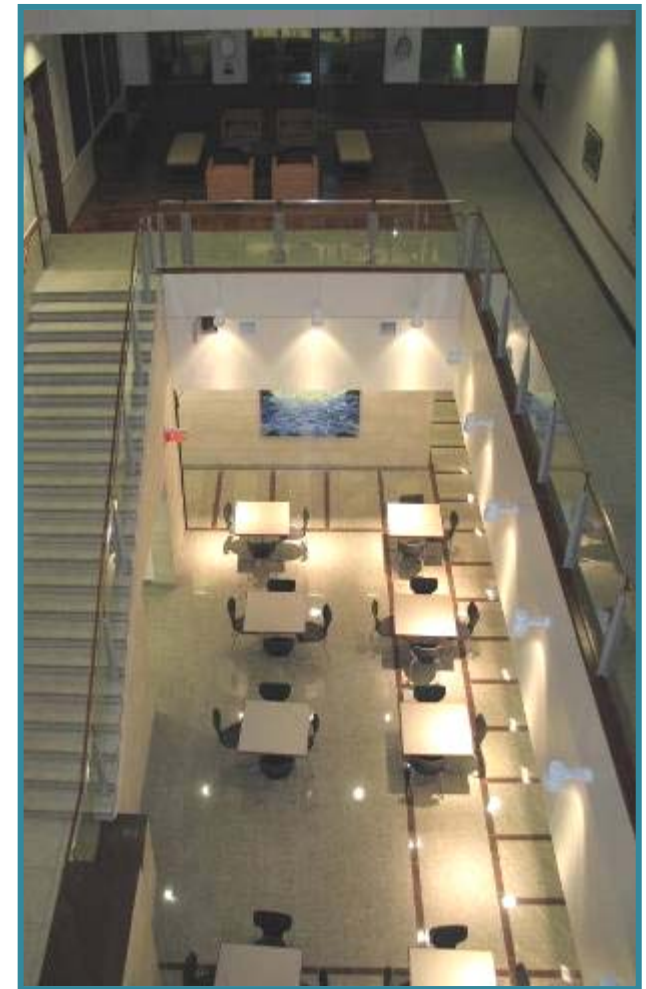


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Belmopan, Belize NEC - 2006

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Bridgetown, Barbados NAB - 2006

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Kingston, Jamaica NEC - 2006

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Lomé, Togo NEC - 2006

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Phnom Penh, Cambodia NOX - 2006

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Kampala Uganda NOX - 2006

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Conakry, Guinea NOX - 2006

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Capital Construction Projects Under Design/Construction

1 Abuja Annex	32.0	21 Koror	5.0
2 Accra	90.3	22 Libreville	79.7
3 Algiers	90.5	23 Managua	79.9
4 Athens Annex	77.6	24 Mumbai	122.9
5 Baghdad NEC	612.0	25 Panama City	100.6
6 Beijing	434.0	26 Port au Prince	108.5
7 Berlin	143.0	27 Quito	98.9
8 Bogotá Annex	28.0	28 Rangoon	86.0
9 Brazzaville	74.1	29 Skopje	75.7
10 Ciudad Juarez	96.1	30 Skopje annex	8.1
11 Djibouti	90.1	31 Surabaya	54.2
12 Guangzhou	150.4	32 Suva	62.3
13 Jerusalem	22.5	33 Taipei (design)	9.4
14 Johannesburg	88.2	34 Tbilisi Annex	20.6
15 Karachi	144.3	35 USAID Accra	22.6
16 Kathmandu	90.7	36 USAID Bamako	19.2
17 Khartoum	106.7	37 USAID Kathmandu	21.0
18 Khartoum Annex	20.0	38 USAID Kingston	15.3
19 Kigali	106.0	39 USAID Managua	13.9
20 Kolonia	5.0		<u>3,505.3</u>

Accra, Ghana NEC



98% Complete



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Kathmandu, Nepal NEC



95% Complete



Athens, Greece NOX



91% Complete

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Panama City, Panama NEC



92% Complete

Algiers, Algeria NEC



90% Complete

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Managua, Nicaragua NEC

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85% Complete



Rangoon, Burma NEC

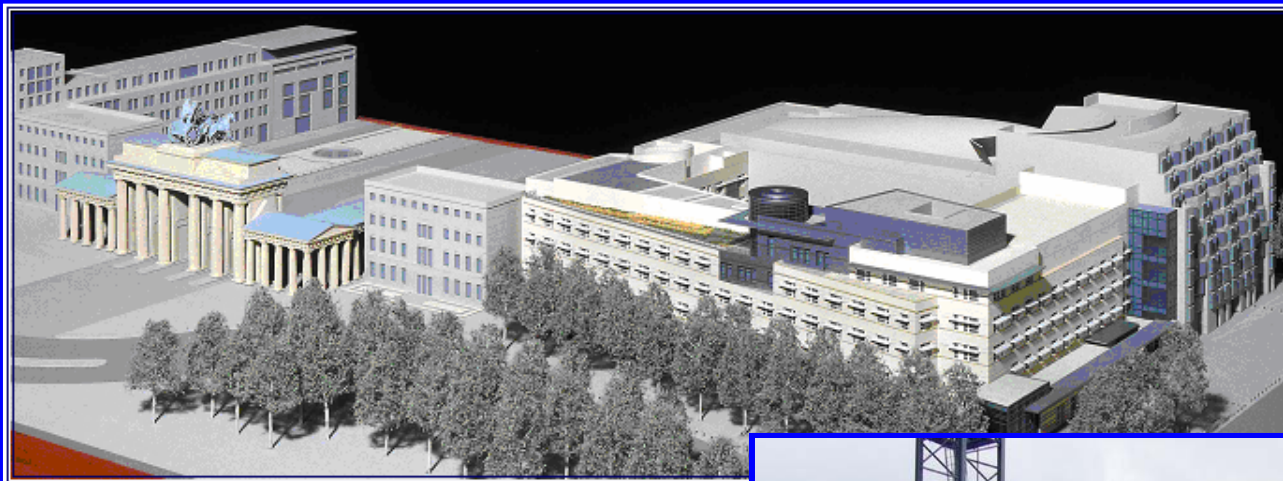


85% Complete

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Berlin, Germany NEC



66% Complete

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Kigali, Rwanda NEC



56% Complete

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Port-au-Prince, Haiti NEC

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51% Complete



Quito, Ecuador NEC



46% Complete

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Ciudad Juarez, Mexico NCC



38% Complete



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Khartoum, Sudan NEC



32% Complete

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Skopje, Macedonia NEC



17% Complete



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Mumbai, India NCC



7% Complete



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Beijing, PRC NEC



60% Complete

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Baghdad, Iraq NEC Status

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- “Lean Management” construction execution is working
- Great management team
- Major challenges every day
- On schedule (85%)
- Managing to budget
- 6 months left to completion (24 months)
- Construction quality is superb
- Working two shifts (24/7)
- Self-contained compound

LEED Certification



Tough Road Ahead

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- Beirut
- Karachi
- Addis Ababa
- Khartoum
- Tripoli
- Harare

Industry Outreach

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- Outreach to a larger spectrum of Industry
- Looking for quality small contractors
- Will keep the playing field level

Operational Developments

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- Touching the leading edge of technology with BMIS, BIM, and lean management
- Made major changes in risk allocation



- Continuing to develop “new ways to think, new ways to build”
- We want you as a partner
- Prepare to work overseas